

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

G

W-02527A
Graham County Utilities Inc - Water
PO Drawer B
Pima, AZ 85543

RECEIVED

BY CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

4-9-07 RF

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Graham County Utilities, Inc. – Water Division

Mailing Address PO Drawer B
(Street)

Pima
(City)

Arizona
(State)

85543
(Zip)

(928) 485-2451 (928) 485-9491
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address russeb@gce.coop

Local Office Mailing Address PO Drawer B
(Street)

Pima
(City)

Arizona
(State)

85543
(Zip)

(928) 485-2451 (928) 485-9491
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address russeb@gce.coop

MANAGEMENT INFORMATION

Management Contact: Russ Barney Finance Manager
(Name) (Title)

PO Drawer B
(Street)

Pima
(City)

Arizona
(State)

85543
(Zip)

(928) 485-2451 (928) 485-9491
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address russeb@gce.coop

On Site Manager: Steve M. Lines
(Name)

PO Drawer B
(Street)

Pima
(City)

Arizona
(State)

85543
(Zip)

(928) 485-2451 (928) 485-9491 (928) 651-6024
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address slines@gce.coop

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Leven B. Ferrin

(Name)

1536 Cherokee Lane

(Street)

Safford

(City)

Arizona

(State)

85546

(Zip)

(928) 428-1602

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Michael M. Grant

(Name)

2575 East Camelback Road

(Street)

Phoenix

(City)

Arizona

(State)

85016-9225

(Zip)

(602) 530-8000

Telephone No. (Include Area Code)

(602) 530-8500

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☒ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☒ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME Graham County Utilities, Inc. – Water Division

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	37,708		37,708
302	Franchises			
303	Land and Land Rights	21,007		21,007
304	Structures and Improvements	208,129	164,560	43,569
307	Wells and Springs	78,719	72,525	6,194
311	Pumping Equipment	176,330	134,409	41,921
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	983,468	536,156	447,312
333	Services	256,271	109,450	146,821
334	Meters and Meter Installations	128,967	55,212	73,755
335	Hydrants	43,410	23,599	19,811
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	8,085	6,329	1,756
344	Laboratory Equipment			
345	Power Operated Equipment	51,956	51,956	0
346	Communication Equipment	7,846	6,803	1,043
347	Miscellaneous Equipment			
348	Other Tangible Plant	610,168	421,015	189,153
	TOTALS	2,612,064	1,582,014	1,030,050

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	37,708		
302	Franchises			
303	Land and Land Rights	21,007		
304	Structures and Improvements	208,129	4.0	8,439
307	Wells and Springs	78,719	4.0	3,149
311	Pumping Equipment	176,330	4.0	7,053
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	983,468	4.0	39,434
333	Services	256,271	4.0	10,251
334	Meters and Meter Installations	128,967	4.0	5,158
335	Hydrants	43,410	4.0	1,736
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	8,085	20.00	1,617
344	Laboratory Equipment			
345	Power Operated Equipment	51,956	10.0	3,756
346	Communication Equipment	7,846	20.00	1,569
347	Miscellaneous Equipment			
348	Other Tangible Plant	610,168	4.0	24,407
	TOTALS	2,612,064		106,569

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct .No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$19,216	\$19,681
134	Working Funds		
135	Temporary Cash Investments	123,603	119,094
141	Customer Accounts Receivable	12,602	11,386
146	Notes/Receivables from Associated Companies	144,308	
151	Plant Material and Supplies	46,416	60,898
162	Prepayments	7,686	11,452
174	Miscellaneous Current and Accrued Assets	26,294	22,865
	TOTAL CURRENT AND ACCRUED ASSETS	\$380,125	\$245,376
	FIXED ASSETS		
101	Utility Plant in Service	\$2,580,160	\$2,612,064
103	Property Held for Future Use		
105	Construction Work in Progress	90,417	299,419
108	Accumulated Depreciation – Utility Plant	1,475,444	1,582,014
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$1,195,133	\$1,329,469
	TOTAL ASSETS	\$1,575,258	\$1,574,845

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$12,310	\$30,077
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		23,660
235	Customer Deposits	8,980	10,650
236	Accrued Taxes	13,692	13,297
237	Accrued Interest	2,388	2,821
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$37,370	\$80,505
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$1,368,648	\$1,282,943
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$1,406,018	\$1,363,448
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$2,500	\$2,500
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	166,740	208,897
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$169,240	\$211,397
	TOTAL LIABILITIES AND CAPITAL	\$1,575,258	\$1,574,845

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$563,754	\$564,438
460	Unmetered Water Revenue		
474	Other Water Revenues	2,040	2,220
	TOTAL REVENUES	\$565,794	\$566,658
	OPERATING EXPENSES		
601	Salaries and Wages	\$100,143	\$90,853
610	Purchased Water		
615	Purchased Power	25,361	29,802
618	Chemicals		
620	Repairs and Maintenance	60,285	52,834
621	Office Supplies and Expense	9,915	11,379
630	Outside Services	12,968	10,634
635	Water Testing	3,858	7,540
641	Rents	5,113	6,576
650	Transportation Expenses	30,080	24,691
657	Insurance – General Liability	9,995	11,739
659	Insurance - Health and Life	44,571	47,677
666	Regulatory Commission Expense – Rate Case	1,172	1,213
675	Miscellaneous Expense	15,286	27,903
403	Depreciation Expense	104,872	106,570
408	Taxes Other Than Income	9,632	9,797
408.11	Property Taxes	20,345	19,511
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$453,596	\$458,719
	OPERATING INCOME/(LOSS)	\$112,198	\$107,939
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$9,530	\$6,258
421	Non-Utility Income	6,609	7,960
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(81,095)	(80,000)
	TOTAL OTHER INCOME/(EXPENSE)	\$(64,956)	\$(65,782)
	NET INCOME/(LOSS)	\$47,242	\$42,157

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4	LOAN #5	LOAN #6
Date Issued	11/1/1989	9/4/1996	6/30/1993	12/20/1996	10/10/1998	11/15/2000
Source of Loan	CFC	CFC	USDA	USDA	AEPCO	USDA
ACC Decision No.	56660	59132	59132	61056	60523	61839
Reason for Loan	Purchase Water Company	New Construction	Pima Upgrade	Cottonwood Wash Upgrade	Bryce Upgrade	Ft Thomas Upgrade
Dollar Amount Issued	\$1,054,461	\$ 148,500	\$ 180,000	\$ 300,000	\$ 220,000	\$ 95,000
Amount Outstanding	\$ 572,034	\$ 127,067	\$ 149,468	\$260,418	\$ 84,334	\$ 89,622
Date of Maturity	9/30/2014	9/30/2031	11/1/2028	11/30/2031	12/10/2009	11/15/2040
Interest Rate	% 7.00	% 7.45	% 5.00	% 4.50	% 0.00	% 4.50
Current Year Interest	\$ 42,847	\$ 9,598	\$ 7,552	\$ 11,826	\$ 0.00	\$ 4,061
Current Year Principle	\$ 52,510	\$ 2,810	\$ 2,888	\$ 4,374	\$ 22,000	\$ 1,123

Meter Deposit Balance at Test Year End	\$ 0.00
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Meter Deposits Refunded During the Test Year	\$ 0.00
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COMPANY NAME	Graham County Utilities, Inc. – Water Division
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
Schedule Attached						

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
30	2	61	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
380,000	1	4,000	1
190,000	2		
45,000	1		
90,000	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Graham County Utilities, Inc. – Water Division
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	CA,PVC,Steel	32,421
3	CA,PVC,Steel	9,274
4	CA,PVC,Steel	41,167
5		
6	CA,PVC,Steel	95,824
8	CA,PVC,Steel	20,106
10	CA,PVC,Steel	31,024
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	1,124
3/4	
1	1
1 1/2	3
2	5
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

Chlorination

STRUCTURES:

Chlorination Building 8' X 12' Pima, Arizona

Chlorination Building 8' X 12' Ft Thomas, Arizona

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	Graham County Utilities, Inc. – Water Division
Name of System	ADEQ Public Water System Number (if applicable)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1,104	8,105	8,532	
FEBRUARY	1,097	7,853	8,099	
MARCH	1,102	9,541	10,870	
APRIL	1,112	9,580	10,281	
MAY	1,105	12,163	13,227	
JUNE	1,107	17,581	20,231	
JULY	1,103	16,710	16,637	
AUGUST	1,111	13,115	13,771	
SEPTEMBER	1,126	13,093	15,669	
OCTOBER	1,117	12,577	12,856	
NOVEMBER	1,122	9,984	10,420	
DECEMBER	1,133	11,169	12,716	
TOTALS →		141,471	153,309	

What is the level of arsenic for each well on your system? _____ mg/l

(If more than one well, please list each separately.) Schedule Attached

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

☒ Yes ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Graham County Utilities, Inc. – Water Division YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 20,577.60

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

ARIZONA
AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
Graham
NAME (OWNER OR OFFICIAL) TITLE
Steve M. Lines General Manager
COMPANY NAME
Graham County Utilities, Inc. – Water Division

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

(928) 485-2451

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

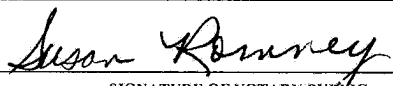
THIS

14th

DAY OF

COUNTY NAME	Graham
MONTH	<u>April</u>
	<u>2007</u>

OFFICIAL SEAL
SUSAN ROMNEY
Notary Public - State of Arizona
GRAHAM COUNTY
MY COMMISSION EXPIRES 02/02/2008



SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Graham County Utilities, Inc. – Water Division YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>N/A Tax Exempt</u>
Estimated or Actual Federal Tax Liability	<u>N/A Tax Exempt</u>

State Taxable Income Reported	<u>N/A Tax Exempt</u>
Estimated or Actual State Tax Liability	<u>N/A Tax Exempt</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>21,450</u>
Amount of Gross-Up Tax Collected	<u> </u>
Total Grossed-Up Contributions/Advances	<u>21,450</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4/4/07
DATE

Steve M. Lines
PRINTED NAME

General Manager
TITLE

RECEIVED

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Graham
NAME (OWNER OR OFFICIAL) TITLE	Steve M. Lines General Manager
COMPANY NAME	Graham County Utilities, Inc. – Water Division

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 614,614.77

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 47,956.59
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

1st

DAY OF

COUNTY NAME	Graham	
MONTH	<u>April</u>	<u>20 07</u>




SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Graham	
NAME (OWNER OR OFFICIAL) Steve M. Lines	TITLE General Manager
COMPANY NAME Graham County Utilities, Inc. – Water Division	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 528,257.85

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 42,334.45

IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Steve M Lines
SIGNATURE OF OWNER OR OFFICIAL

(928) 485-2451

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

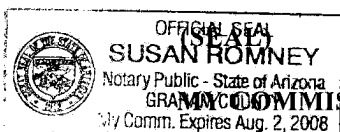
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

4th

DAY OF

NOTARY PUBLIC NAME <u>Susan Romney</u>	
COUNTY NAME Graham	
MONTH <u>April</u>	YEAR <u>2007</u>



COMMISSION EXPIRES 08/02/2008

X Susan Romney
SIGNATURE OF NOTARY PUBLIC

GRAHAM COUNTY UTILITIES, INC. - WATER
YEAR ENDED 12/31/2006
CONTINUATION SHEET
WATER COMPANY PLANT DESCRIPTION
WELLS

ADWR ID NO.		PUMP HORSEPOWER	PUMP YIELD (GPM)	CASING SIZE (INCHES)	WELL DEPTH (FEET)	METER SIZE (INCHES)	YEAR DRILLED
55-529642		5	25	12	196		1991
55-540458		5	65	12	200		1994
55-545487		5	55	12	225		1995
55-549470		5	65	12	217		1995
55-605850	CAPPED			4			Pre 1989
55-605851		1	25	6	100		Pre 1989
55-605852	CAPPED			6	100		Pre 1989
55-605853	CAPPED			6	250		Pre 1989
55-605854	CAPPED			4	100		Pre 1989
55-605855		1	0	6	100		Pre 1989
55-605856		3	35	12	290		Pre 1989
55-605857	CAPPED			4	100		Pre 1989
55-605858	CAPPED			16	32		Pre 1989
55-605859	CAPPED			5	100		Pre 1989
55-605860		1	15	6	100		Pre 1989
55-605861		1	25	4	100		Pre 1989
55-605862	CAPPED			5	100		Pre 1989
55-605863		1	25	12	90		1998
55-606081	CAPPED			1	585		Pre 1989
55-606082	CAPPED			6	100		Pre 1989
55-606084	CAPPED						Pre 1989
55-606085		3	45	12	255		Pre 1989
55-606086		1	30	12	76		Pre 1989
55-606087		1	25	12	80		Pre 1989
55-565863		3	25	12	220		Pre 1989
55-565864		3	35	12	220		Pre 1989
55-565865		5	65	12	220		1998
55-206721		7.5	70	10	700		2006

**GRAHAM COUNTY UTILITIES, INC. - WATER
YEAR ENDED DECEMBER 31,2006**

LEVEL OF ARSENIC BY WELL

ADWR ID. NO.	PARTS PER BILLION
55-529642	13
55-540458	19
55-545487	17
55-549470	5.5
55-605851	5.7
55-605855	4.8
55-605856	10
55-605860	10
55-605861	3.9
55-605863	17
55-605864	29
55-606085	66
55-565865	37
55-206721	0

Graham County Treasurer

Jean Reynolds
921 Thatcher Blvd.
Safford, AZ 85546
928-428-3440

Tax Payments by Date

10/30/2006

<u>User</u>	<u>Date</u>	<u>Year</u>	<u>Roll #</u>	<u>S/U</u>	<u>Book</u>	<u>Map</u>	<u>Parcel</u>	<u>S</u>	<u>TaxID</u>	<u>Pmt Date</u>	<u>Payment Info</u>	<u>Payment Amount</u>	<u>Payer</u>	<u>Description</u>
Treas	10/30/2006	2006	14870	S	905	00	760			10/30/2006	Graham County Util	\$795.93	Owner Paid	Scanned Payment
Treas	10/30/2006	2006	14868	S	905	00	630			10/30/2006	Graham County Util	\$1,585.23	Owner Paid	Scanned Payment
Treas	10/30/2006	2006	14869	S	905	00	680			10/30/2006	Graham County Util	\$7,692.36	Owner Paid	Scanned Payment
Treas												\$10,073.52		
												\$10,073.52		
Grand Total:												\$10,073.52		



Graham County Treasurer

Jean Reynolds
921 Thatcher Blvd.
Safford, AZ 85546
928-428-3440

Tax Payments by Date

4/26/2006

<u>User</u>	<u>Date</u>	<u>Year</u>	<u>Roll #</u>	<u>S/U</u>	<u>Book</u>	<u>Map</u>	<u>Parcel</u>	<u>S</u>	<u>TaxID</u>	<u>Pmt Date</u>	<u>Payment Info.</u>	<u>Payment Amount</u>	<u>Payer</u>	<u>Description</u>
Lmadd	4/26/2006	2005	14647	S	905	00	630			04/26/2006	Graham County Util	\$1,672.73	Owner Paid	Scanned Payment
Lmadd	4/26/2006	2005	14648	S	905	00	680			04/26/2006	Graham County Util	\$8,064.83	Owner Paid	Scanned Payment
Lmadd	4/26/2006	2005	14649	S	905	00	760			04/26/2006	Graham County Util	\$766.52	Owner Paid	Scanned Payment
Lmad												\$10,504.08		
Grand Total:												\$10,504.08		
												\$10,504.08		

FINANCIAL AND STATISTICAL REPORT Round ALL AMOUNTS to nearest dollar.	GRAHAM COUNTY UTILITIES, INC. WATER SYSTEM PIMA, AZ 85543 MONTH ENDING December 31, 2006				
CERTIFICATION <i>We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.</i>					
<u>Russ Barney</u> SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT	<u>1/27/07</u> DATE				
<u>Steve M. Luce</u> SIGNATURE OF MANAGER	<u>1-27-07</u> DATE				
PART A. STATEMENT OF OPERATIONS					
ITEM	YEAR-TO-DATE			DECEMBER	
	LAST YEAR	THIS YEAR	BUDGET	THIS MONTH	
	(a)	(b)	(c)	(d)	
1. Operating Revenue and Patronage Capital	565,794	566,658	571,788	45,593	
2. Water Production Expense	-	-	-	-	
3. Cost of Water Production	25,361	29,802	29,165	-	
4. Transmission Expense	-	-	-	-	
5. Distribution Expense - Operations	65,623	62,866	68,418	5,241	
6. Distribution Expense - Maintenance	132,739	130,226	136,971	17,166	
7. Consumer Accounts Expense	42,107	46,264	43,262	3,648	
8. Customer Service and Informational Expense	-	-	-	-	
9. Sales Expense	-	-	-	-	
10. Administrative and General Expense	82,893	82,991	86,728	7,420	
11. Total Operation & Maintenance Expense (2 - 10)	348,723	352,149	364,544	33,475	
12. Depreciation and Amortization Expense	104,872	106,569	118,281	8,930	
13. Tax Expense - Property	-	-	-	-	
14. Tax Expense - Other	-	-	-	-	
15. Interest on Long-Term Debt	77,207	75,884	74,580	6,076	
16. Interest Charged to Construction - Credit	-	-	-	-	
17. Interest Expense - Other	3,888	4,116	3,907	340	
18. Other Deductions	-	-	-	-	
19. Total Cost of Water Service (11 - 18)	534,691	538,718	561,312	48,821	
20. Patronage Capital & Operating Margins (1 - 19)	31,104	27,940	10,476	(3,227)	
21. Non Operating Margins - Interest	9,530	6,258	4,239	42	
22. Allowance for Funds Used During Construction	-	-	-	-	
23. Non Operating Margins - Other	-	-	-	-	
24. Generation & Transmission Capital Credits	-	-	-	-	
25. Other Capital Credits and Patronage Dividends	6,609	7,960	6,609	-	
26. Extraordinary Items	-	-	-	-	
27. Patronage Capital or Margins (20 - 26)	47,242	42,157	21,324	(3,186)	
PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	11	25	6. Miles Distribution		
2. Service Retired					
3. Total Services in Place	1,071	1,096	8. Total Miles (5+6+7)		
4. Idle Services (Exclude Seasonal)					

FINANCIAL AND STATISTICAL REPORT	GRAHAM COUNTY UTILITIES, INC.
	WATER SYSTEM
Round ALL AMOUNTS to nearest dollar.	MONTH ENDING
	December 31, 2006

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	2,612,064	26. Memberships	2,500
2. Construction Work in Progress	299,419	27. Patronage Capital	166,740
3. Total Utility Plant (1 + 2)	2,911,484	28. Operating Margins - Prior Years	
4. Accum. Provision for Depreciation & Amort.	1,582,014	29. Operating Margins - Current Year	27,940
5. Net Utility Plant (3 -4)	1,329,470	30. Non Operating Margins	14,217
6. Nonutility Property _ Net	-	31. Other Margins and Equities	-
7. Invest in Assoc Org - Patronage Capital	-	32. Total Margins & Equities (26 thru 31)	211,398
8. Invest in Assoc Org - General Funds	119,094	33. Long-Term Debt RUS (Net)	-
9. Invest in Assoc Org - Nongeneral Funds	-	(Payments - Unapplied \$_____)	
10. Other Investments	-	34. Long-Term Debt - Other (net)	1,282,943
11. Special Funds	-	(Payments - Unapplied \$_____)	
12. Total Other Property & Investments (6 thru 11)	119,094	35 Total Long-Term Debt(33 + 34)	1,282,943
13. Cash - General Funds	18,163	36. Notes Payable	-
14. Cash - Construction Funds - Trustee	-	37. Accounts Payable	53,737
15. Special Deposits	-	38. Consumers Deposits	10,650
16. Temporary Investments	1,518	39. Other Current & Accrued Liabilities	16,118
17. Notes Receivable - Net	-	40. Total Current & Accrued Liab (36 thru 39)	80,505
18. Accounts Receivable - Sales of Water	11,386	41. Deferred Credits	-
19. Accounts Receivable - Net Other	-	42. Miscellaneous Operating Reserves	-
20. Materials & Supplies - Water & Other	60,898	43. Total Liabilities & Other Credits (32 +	-
21. Prepayments	11,452	35 + 40 thru 42)	1,574,845
22. Other Current & Accrued Assets	-	ESTIMATED CONTRIBUTIONS IN AID TO CONSTRUCTION	
23. Total Current & Accrued Assets (13 thru 22)	103,416	Balance Beginning of Year	223,356
24. Deferred Debits	22,865	Amounts Received This Year (Net)	21,450
25. Total Assets & Other Debits (5+12+23+24)	1,574,845	TOTAL Contributions in Aid of Construction	244,806

PART D. CONSUMER SALES AND REVENUE DATA

CLASS OF SERVICE	THIS MONTH			YEAR TO DATE	
	NO. RECEIVING SERVICE	GALLONS SOLD	AMOUNT	GALLONS SOLD CUMULATIVE	AMOUNT CUMULATIVE
1. RESIDENTIAL SALES	1,064	8,032,800	38,237	109,011,100	485,923
2. COMM & INDUSTRIAL	67	962,200	3,754	12,246,700	46,794
3. SALES FOR RESALE	2	2,174,000	3,383	20,212,200	31,720
4. TOTAL WATER SALES	1,133	11,169,000	45,373	141,470,000	564,438
5. OTHER WATER REVENUE			220		2,220
6. TOTAL	1,133	11,169,000	45,593	141,470,000	566,658

PART E. WATER STATISTICS

ITEM	THIS MONTH	YEAR TO DATE	ITEM	THIS MONTH	YEAR TO DATE
1. WATER PUMPED	12,715,700	153,310,000	6. OFFICE USE		
2.			7. UNACCOUNTED FOR	1,546,700	11,840,000
3. TOTAL	12,715,700	153,310,000	8. % SYSTEM LOSS	12.16%	7.72%
			9. MAXIMUM DEMAND		
4. TOTAL SOLD	11,169,000	141,470,000	10. MONTH WHEN MAXIMUM DEMAND OCCURRED		